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This Prospectus is not, and under no circumstances is it to be construed as, a public offering of these shares for sale in the United States of America, or in the territories or possessions thereof.

file
125,000 Common Shares
without par value

INDUSTRIONICS (CANADA) LIMITED

(Incorporated under the laws of the Province of Ontario)

DEC 17 1982

Capitalization
(as at July 14, 1961)

	AUTHORIZED	OUTSTANDING
Common Shares without par value	500,000	200,000

The offering of these shares by the Underwriter represents new financing by the Company to the extent of 100,000 shares. 25,000 shares are being made available through the Underwriter from the holdings of a shareholder and the proceeds from the sale of such 25,000 shares will not be paid into the treasury of the Company. Additional shares may be offered by the principal shareholders at the market.


TRANSFER AGENT AND REGISTRAR
GUARANTY TRUST COMPANY OF CANADA
TORONTO - WINDSOR
ONTARIO

OCT 5 1981

We, as principals, offer these 125,000 Common shares (if, as and when issued and accepted by us as to the aforesaid 100,000 shares) and subject to the approval of all legal matters on behalf of the Company by J. A. Gilbert, Toronto, Ontario, special Counsel to the Company, and by Messrs. Croll, Croll & Zalev, Windsor, Ontario, Solicitors for the Company, and by Messrs. Manley, Grant & Armstrong, Toronto, Ontario, on our behalf.

Subscriptions for the said shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

Price: \$2.50 per Share



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The following information has been supplied by Mr. W. Wayne Shapiro, President of INDUSTRIONICS (CANADA) LIMITED.

Industrionics (Canada) Limited (hereinafter called the "Company") was incorporated April 4, 1955, under the laws of the Province of Ontario with head office in the City of Windsor, Ontario. The Company was formed to produce and market new and remanufactured television picture tubes for the replacement market. These tubes are sold throughout Canada to electronic parts jobbers who in turn supply TV service men, who in turn service the consumer.

In 1955, the Company began operations with four employees occupying 8,000 square feet of leased space. The building is a modern single storey concrete block structure, with adequate shipping and receiving facilities including a railroad siding. In April of 1960, the Company leased an additional 5,800 square feet of space abutting the original area occupied, giving the total of 13,800 square feet of manufacturing and office space presently occupied. The original work force of four people has been increased to a total of nineteen.

The officers of the Company are as follows:

- W. WAYNE SHAPIRO President and General Manager
- R. A. DISHELL Secretary-Treasurer

Mr. W. Wayne Shapiro, 38, is directly in charge of all operations. Mr. Shapiro graduated from the University of Michigan in 1943 with a degree of Bachelor of Science in Engineering (Metallurgical Engineering). Upon graduation he was appointed to the staff of the University of Michigan in the Department of Engineering Research. One year later he entered the United States Marine Corps and was assigned to radar research at the Naval Research Laboratory in Washington, D.C. Upon discharge from the service, he became Chief Engineer for National Plated Products in Detroit, a firm that performed production electroplating for the automotive industry. In 1948, Mr. Shapiro formed his own Company, Wayne Television Service Company in Detroit. Mr. Shapiro sold this company in 1955 to enter the present Company.

Mr. R. A. Dishell, 55, is President of Glendale Electronic Supply Company, 12530 Hamilton Avenue, Detroit 3, Michigan. This company in its eleventh year has become one of the leading wholesale electronic parts suppliers in Detroit.

For the future, the Company anticipates remanufacturing coloured television picture tubes when the demand permits, and also developing other associated and allied products. In order to accomplish this, it is intended to establish a product research and development department.

The Company also controls two wholly-owned subsidiaries located in Detroit, Michigan, known as Industrionics, Inc. and Winco Electronics, Incorporated.

Industrionics, Inc. was incorporated under the laws of the State of Michigan in the City of Detroit, Michigan, in March of 1959. Industrionics, Inc. was formed to produce and market remanufactured ignitron tubes for distribution throughout the United States and other marketing areas abroad. Ignitron tubes are the electronic tubes that control the power applied to resistance welding equipment used by heavy steel fabricating companies.

On June 16, 1961, the second wholly-owned subsidiary of the Company was formed, namely Winco Electronics, Incorporated, 10807 Lyndon Avenue, Detroit 38, Michigan. Winco Electronics, Incorporated will duplicate for the United States market the operation of the parent Company.

With plants in two countries and with products diversified between consumer and industry, the Company and its wholly-owned subsidiaries, Industrionics, Inc. and Winco Electronics, Incorporated should with the additional capital be in an excellent position to expand their operations and to progress in the business of electronics.

INDUSTRIONICS (CANADA) LIMITED

Statutory Information

- (a) The full name of the Company is INDUSTRIONICS (CANADA) LIMITED (hereinafter referred to as the "Company") and its head office is at 362 Chilver Road, Windsor, Ontario.
- (b) The Company was incorporated under the laws of the Province of Ontario by Letters Patent dated the 4th day of April, 1955 under the name Winchester Electronics Company Limited. By Supplementary Letters Patent dated the 31st day of May, 1957, the name was changed to Winco Electronics Company Limited. By Supplementary Letters Patent dated the 14th day of July, 1961, the name was changed to Industrionics (Canada) Limited and the Company converted from a private to a public company and its capital reorganized as set out in Paragraph (g) hereof.
- (c) The general nature of the Company's business is to produce and market new and remanufactured television picture tubes in Canada. The Company has two wholly-owned subsidiaries — Industrionics, Inc., located at 23920 Graham Road, Detroit 39, Michigan, and Winco Electronics, Incorporated, 10807 Lyndon Avenue, Detroit 38, Michigan. Industrionics, Inc. produces and markets remanufactured ignitron tubes (electronic tubes used to control the power applied to resistance welding equipment). Winco Electronics, Incorporated duplicates the business of the Company in the United States.
- (d) The names in full, present occupations and home addresses of the directors and officers of the Company are as follows:

Directors

WILBUR WAYNE SHAPIRO.....	Executive.....	497 Frontenac Avenue, Windsor, Ontario.
ROBERT ALLEN DISHELL.....	Executive.....	18295 Parkside Avenue, Detroit 21, Michigan.
CECIL ROBERT CROLL, Q.C.....	Lawyer.....	2406 Kildare Road, Windsor, Ontario.
CARL ZALEV.....	Lawyer.....	387 Partington Avenue, Windsor, Ontario.
ROBERT HUNTER SCARLETT.....	Stock Broker.....	108 Bayview Ridge, Willowdale, Ontario.

Officers

WILBUR WAYNE SHAPIRO.....	President and General Manager.....	497 Frontenac Avenue, Windsor, Ontario.
ROBERT ALLEN DISHELL.....	Secretary-Treasurer.....	18295 Parkside Avenue, Detroit 21, Michigan.

- (e) The auditors of the Company are Fisher, Sanders, Stern & Nisker, Chartered Accountants, 302 Canada Trust Building, Windsor, Ontario.
- (f) The registrar and transfer agent of the Company is Guaranty Trust Company of Canada, 366 Bay Street, Toronto, Ontario. The Guaranty Trust Company of Canada, Windsor, Ontario, is co-transfer agent.
- (g) By its Letters Patent aforesaid, the authorized capital of the Company was \$40,000.00 divided into 3,000 six per cent cumulative participating redeemable preference shares of the par value of \$10.00 each and 1,000 common shares of the par value of \$10.00 each, all of which preference and common shares were duly allotted and issued at par. By Supplementary Letters Patent aforesaid inter alia, the said issued 3,000 preference shares and 1,000 common shares were reclassified, subdivided and changed into 200,000 issued common shares without par value and the Letters Patent were varied by deletion therefrom of the clauses relating to the preference shares; and the authorized capital of the Company was increased by creating an additional 300,000 common shares without par value ranking on a parity with the said 200,000 common shares without par value. The aggregate maximum consideration for which such 500,000 common shares without par value may be issued is \$1,000,000.00. The authorized capital at the date of this Prospectus is the aforesaid 500,000 common shares without par value, of which at the date hereof 200,000 shares have been issued and are outstanding as fully paid and non-assessable.
- (h) Each share of the capital stock of the Company is equal to every other share and all shares participate equally on liquidation or distribution of assets or dividends and enjoy full voting rights of one vote per share at all meetings of shareholders.
- (i) There are no bonds or debentures outstanding or proposed to be issued nor are there any other securities issued or proposed to be issued which if issued, will rank ahead of or pari passu with the shares hereby offered.
- (j) No substantial indebtedness, other than indebtedness which may be incurred in the ordinary course of business, is to be created or assumed which is not shown or referred to in Paragraph (n) hereof and in the consolidated balance sheet and consolidated pro forma balance sheet of the Company as at May 31, 1961, filed with the Ontario Securities Commission and forming part of the Prospectus.
- (k) No securities are covered by options outstanding or proposed to be given by the Company save as follows:

- (i) W. Wayne Shapiro and Robert A. Dishell, directors, officers and employees of the Company, each have incentive options to purchase all or any part of 25,000 shares of the Company at \$2.25 per share, exercisable within the times and on the terms and conditions as follows:—

5,000 shares or any part thereof within the 10-day period next following the commencement date as hereinafter defined;

5,000 shares or any part thereof within the first anniversary of the commencement date as herein-after defined;

5,000 shares or any part thereof within the second anniversary of the commencement date as hereinafter defined;

5,000 shares or any part thereof within the third anniversary of the commencement date as hereinafter defined; and

5,000 shares or any part thereof within the fourth anniversary of the commencement date as hereinafter defined.

Provided that upon default in taking up and paying for the optioned blocks or any part thereof within the times hereinbefore stipulated, the option aforesaid insofar as the same has not theretofore been exercised shall terminate.

Provided further that said parties may anticipate any of the optioned blocks after the commencement date.

The commencement date shall mean the date one year after the date upon which the Registrar of the Ontario Securities Commission shall issue a final receipt for the material required to be filed with it under Section 39 of The Securities Act (Ontario).

- (ii) See paragraph (1) hereof as to an option to purchase 50,000 of the outstanding shares of the Company.

- (1) 125,000 common shares without par value in the capital of the Company are offered by this prospectus. 100,000 of the said shares are offered by the Company and 25,000 of the said shares are offered by Bernette Corporation Limited, 100 Adelaide Street West, Toronto, Ontario. Pursuant to and subject to the terms and conditions of an agreement dated the 22nd day of September, 1961, between the Company and Bernette Corporation Limited and R. H. Scarlett & Co. Ltd., 11 Adelaide Street West, Toronto, Ontario, as principals, (hereinafter called the "Underwriter") the Underwriter has agreed to purchase and the Company and Bernette Corporation Limited have agreed to sell all of the said shares so offered at the price of \$2.25 per share, payable against delivery of certificates within fifteen days after the issuance of the final receipt of the Ontario Securities Commission referred to in Paragraph (k) hereof. In consideration thereof Bernette Corporation Limited has granted to the Underwriter an option to purchase from it all or any part of 50,000 outstanding shares in the capital stock of the Company at \$2.25 per share at any time and from time to time prior to the expiration of three months from the time that the shares offered hereby are taken up and paid for by the Underwriter. The said shares offered by Bernette Corporation Limited do not represent new financing by the Company and the proceeds received from the sale thereof will not be received by the Company.

The issue price to the public of the aforementioned 125,000 shares is \$2.50 per share. After the said 125,000 shares have been distributed, the holders of the 300,000 shares of the Company then issued and outstanding or some thereof may offer to sell their shares or some thereof from time to time at the market through registered security dealers who will be acting as their agents and will be paid the usual and customary commissions at the established rates of the Toronto Stock Exchange. Reference is made, however, to Paragraph (ze) hereof as to certain escrow provisions respecting certain of the said shares.

- (m) The estimated net proceeds to be derived by the Company from the sale of the said 100,000 shares on the basis of such shares being fully taken up and paid for are \$225,000.00 less legal and auditing fees and other expenses in connection with the issue estimated at \$8,500.00.
- (n) The net proceeds of the sale by the Company of the said 100,000 shares will be used by the Company to establish a research and development division to develop new products at an estimated cost of \$20,000.00; to provide up to \$100,000.00 to complete the establishment of Winco Electronics, Incorporated; to pay outstanding dividends of \$10,378.00; and generally for working capital to expand operating facilities as deemed necessary to increase the output of present products and products that may hereafter be developed.
- (o) No minimum amount in the opinion of the directors, must be raised by the current issue to provide the sums or balance of the sums required (i) to pay the purchase price of any property other than amounts that may be expended in acquiring property to equip the research and development division and to complete the establishment of Winco Electronics, Incorporated as to which see Paragraph (n) hereof; (ii) to pay preliminary expenses; (iii) to pay any commission payable by the Company in respect of subscriptions for shares in the Company; and (iv) for the repayment of bank loans.
- (p) In respect of the underwriting agreement with the Underwriter, reference is hereby expressly made to Paragraph (1) hereof.
- (q) The by-laws of the Company provide that:

"The remuneration to be paid to the directors shall be such as the board of directors shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer of the Company who is also a member of the board of directors. The directors may also by resolution award special remuneration to any director undertaking any special service on the Company's behalf other than the routine work ordinarily required of a director by the Company and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Company."

- (r) No remuneration was paid by the Company to its directors as such during the financial year ended March 31, 1961, and it is not anticipated that any remuneration will be paid to the directors as such during the current financial year. During the financial year ended March 31, 1961, the aggregate remuneration paid to officers of the Company, who individually received remuneration in excess of \$10,000 per annum, was \$10,400.00. The aggregate remuneration estimated to be paid or payable during the current financial year to officers, who individually may be entitled to receive remuneration in excess of \$10,000.00 per annum, is \$20,800.00 (see Paragraph (za) hereof).
- (s) No amount has been paid within the two preceding years or is payable as a commission by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of the Company.
- (t) The Company has been carrying on business for more than one year.
- (u) and (v) Except for transactions entered into in the ordinary course of operations or on the general credit of the Company, no property has been purchased or acquired by the Company, or is proposed to be purchased or acquired, save such funds to be advanced to Winco Electronics, Incorporated to be used by that subsidiary to equip its plant and as working capital, and such funds as are allocated to establish a research and development division to be used in part in the purchase of equipment and supplies (see Paragraph (n) hereof).
- (w) No securities of the Company have within the two years preceding the date of this Prospectus been issued or agreed to be issued as fully or partly paid up otherwise than in cash, other than the employees' options referred to in Paragraph (k) hereof).
- (x) No obligations are being offered.
- (y) No services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or partly out of the proceeds of the sales of the shares hereby offered other than legal and auditing and other services in connection with the offering of the shares herein mentioned.
- (z) No amount has been paid or is intended to be paid to any promoter.
- (za) No material contract has been entered into by the Company within the two years preceding the date hereof other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company except (i) the underwriting agreement referred to in Paragraph (1) hereof to which reference is hereby expressly made; (ii) an employment agreement whereby the Company employs Wilbur Wayne Shapiro to serve the Company (and its subsidiaries) as General Manager for a term of five (5) years commencing on the effective date of this Prospectus, devoting his whole time and attention for a consideration including a salary commencing at \$20,800.00 for the first year of such employment, to be increased to \$21,800.00 in the second year, to \$22,800.00 in the third year, to \$23,800.00 in the fourth year, and to \$24,800.00 in the fifth year, and an incentive option on 25,000 shares referred to in Paragraph (k) hereof. Any inventions relating to electronics made or conceived by Mr. Shapiro during his term of employment will belong to the Company; and (iii) an employment agreement whereby the Company employs Robert A. Dishell for a term of five (5) years commencing on the effective date of this Prospectus, in an administrative capacity to perform such duties for the Company and its subsidiaries as the Board of Directors of the Company may from time to time direct for a consideration including a salary of \$1.00 for each year of such employment, reimbursement of all travelling and other expenses actually and properly incurred by him in connection with his duties aforesaid, and an incentive option on 25,000 shares referred to in Paragraph (k) hereof.

Copies of the above mentioned agreements may be inspected during ordinary business hours at the head office of the Company aforesaid during the period of primary distribution.

- (zb) No director of the Company or firm of which a director is a partner has any interest in the promotion of or in any property acquired by the Company within the two years preceding the date hereof or proposed to be acquired by the Company, save that the Company from time to time purchases electronic component parts at competitive rates from Glendale Electronic Supply Company, a company controlled by the said Robert A. Dishell, a director and officer of the Company.
- (zc) The Company has been carrying on business for more than three years.
- (zd) Glendale Electronic Supply Company, 12530 Hamilton Avenue, Detroit, Michigan, and the said Wilbur Wayne Shapiro, by reason of beneficial ownership of securities of the Company and by reason of an agreement in writing dated the 12th day of June, 1961, made with Bernette Corporation Limited (whereby the latter has agreed to vote its shares in favour of nominees of Glendale Electronic Supply Company and Mr. Shapiro to the board of directors of the Company) are in a position collectively to elect or cause to be elected a majority of the directors of the Company.
- (ze) 100,000 shares of the capital stock of the Company are held in escrow by Guaranty Trust Company of Canada subject to release as follows:
 - 50,000 shares — 6 months from the effective date; and
 - 50,000 shares — 12 months from the effective date;
 or earlier only with the written consent of the Ontario Securities Commission. Provided that the first block of 50,000 shares or part thereof shall remain in voluntary escrow after the release by the Commission as aforesaid for such additional period of time as Bernette Corporation Limited may require, but in any event not to exceed a maximum period of twelve (12) months after the effective date. The effective date herein means the date of acceptance of a prospectus by the Ontario Securities Commission.
- (zf) Accrued outstanding dividends on the 3,000 six per cent cumulative participating redeemable preference shares of the par value of \$10.00 each prior to the capital reorganization effected by Supplementary Letters Patent dated the 14th day of July, 1961, totalled \$10,378.00 and will be paid to the parties entitled thereto out of the proceeds of the current issue (see Paragraph (n) hereof).

- (zg) The Underwriter may sell some or all of the 175,000 shares offered by this Prospectus to registered brokers at a price less than \$2.50 per share, which registered brokers may offer the said shares for sale to the public in the course of primary distribution at the price of \$2.50 per share.
- (zh) Under an agreement dated June 12, 1961, Bernette Corporation Limited as principal may acquire from Glendale Electronic Supply Company and Wilbur Wayne Shapiro up to 125,000 shares of the Company of which 100,000 will be free and 25,000 escrowed under the provisions of paragraph (ze) hereof. Of said free shares 25,000 thereof have been sold and a further 50,000 thereof optioned to R. H. Scarlett & Co. Ltd., as to which see paragraph (1). The balance of 25,000 shares or some thereof subject to paragraph (1) hereof may be offered for sale and sold from time to time by the holders thereof at the market through registered security dealers but none of the proceeds of any such sales will benefit the Company.
- (zi) There are no other material facts not disclosed in the foregoing.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements or reports where required.

DATED this 22nd day of September, 1961.

Directors

(Signed) "W. WAYNE SHAPIRO"

(Signed) "R. A. DISHELL"

(Signed) "C. R. CROLL"

(Signed) "CARL ZALEV"

(Signed) "R. HUNTER SCARLETT"

Underwriter

To the best of our knowledge, information and belief, the foregoing declarations constitute full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario) and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

The following are the names of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of the Underwriter: R. Herbert Scarlett, R. Hunter Scarlett, N. L. Sandler.

R. H. SCARLETT & CO. LTD.

Per: "R. HERBERT SCARLETT"

Per: "N. L. SANDLER"

INDUSTRIONICS (CANADA) LIMITED

(name changed from Winco Electronics Company Limited
by Supplementary Letters Patent dated July 14, 1961)
and its wholly-owned subsidiary Industrionics, Inc.

Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet as at May 31, 1961

The pro forma balance sheet gives effect to the following:

1. The issue on July 14, 1961 of Supplementary Letters Patent providing for:
 - (a) The reclassification, subdivision and change of the 3,000 issued 6% cumulative, participating, redeemable preference shares with a par value of \$10.00 each and the 1,000 issued common shares with a par value of \$10.00 each into 200,000 issued common shares without par value.
 - (b) The increase of the authorized capital of the Company by creating an additional 300,000 common shares without par value ranking on a parity with the 200,000 issued common shares without par value.
2. The issue and sale to the underwriter for \$225,000 cash of 100,000 common shares without par value.
3. The investment of \$1,000 in capital stock of and a loan of \$99,000 payable on demand to, Winco Electronics, Incorporated, a wholly-owned subsidiary formed in Michigan, June 16, 1961.
4. The payment of the following liabilities:
 - (a) Legal, audit and other expenses of issue estimated at \$ 8,500
 - (b) Outstanding dividends on 6% cumulative preference shares 10,378

Assets

	Balance Sheet	Pro Forma Balance Sheet
CURRENT ASSETS		
Cash on hand and in banks	\$ 150	\$ 103,996
Accounts receivable	50,793	50,793
Loan receivable—shareholder	675	675
Inventories—at cost	14,538	14,538
Prepaid expenses	4,626	4,626
Total Current Assets	<u>\$ 70,782</u>	<u>\$ 174,628</u>
INVESTMENT (note 1)		
Common shares of Winco Electronics, Incorporated, at cost		\$ 1,000
Advances to Winco Electronics, Incorporated	\$ 6,099	105,099
Total investment in Winco Electronics, Incorporated	<u>\$ 6,099</u>	<u>\$ 106,099</u>
FIXED ASSETS		
Equipment and furniture, at cost, less accumulated depreciation of \$40,560	\$ 21,655	\$
Equipment and furniture, at appraised value (note 2)		65,162
Leasehold improvements, at cost, less amortization of \$5,347	523	523
Total Fixed Assets	<u>\$ 22,178</u>	<u>\$ 65,685</u>
DEFERRED ASSETS		
Incorporation expense	\$ 783	\$ 783
Expenses of issue		8,500
Total Deferred Assets	<u>\$ 783</u>	<u>\$ 9,283</u>
	<u>\$ 99,842</u>	<u>\$ 355,695</u>

Liabilities

	Balance Sheet	Pro Forma Balance Sheet
CURRENT LIABILITIES:		
Bank overdraft (secured)	\$ 2,276	\$
Accounts payable and accrued liabilities	11,847	11,847
Dividends payable on 6% cumulative preference shares	10,378	
Sales and excise taxes payable	7,211	7,211
Income taxes payable	280	280
Loan payable—Glendale Electronics Supply Company	2,316	2,316
Total Current Liabilities	<u>\$ 34,308</u>	<u>\$ 21,654</u>

**SHAREHOLDERS' EQUITY
CAPITAL STOCK**

Authorized

Balance sheet

3,000—6% cumulative, participating redeemable preference shares, par value \$10.00 each

1,000—common shares, par value \$10.00 each

Pro forma balance sheet

500,000 common shares, without par value

Issued and fully paid

Balance sheet

3,000—6% cumulative, participating, redeemable preference shares, par value \$10.00 each \$ 30,000

1,000—common shares, par value \$10.00 each 10,000

Pro forma balance sheet (note 3)

300,000 common shares, without par value \$ 265,000

EARNED SURPLUS 25,534 25,534

EXCESS OF APPRAISED VALUE OF FIXED ASSETS OVER DEPRECIATED COST 43,507

Total Shareholders' Equity \$ 65,534 \$ 334,041

\$ 99,842 \$ 355,695

NOTE 1: Winco Electronics, Incorporated, a Michigan corporation, was in process of formation as at May 31, 1961 and was formed June 16, 1961. The pro forma balance sheet gives effect to the issue June 16, 1961 of 200 common shares and the loan of \$99,000 to, the newly-formed Michigan corporation. Management estimates that approximately \$80,000 of these funds, will be expended by the wholly-owned subsidiary, prior to commencement of production, for equipment and initial plant expenses.

NOTE 2: The appraised value (replacement value at June 23, 1961, less accumulated depreciation) of equipment and fixtures is based on an independent appraisal by Cooper Appraisals Limited dated June 27, 1961. The appraisal increase of \$43,507 is reflected in shareholders' equity.

NOTE 3: The company has granted to officers of the company, options to purchase up to a total of 50,000 common shares in the capital stock of the company at \$2.25 per share, such options to be exercised by September, 1966.

NOTE 4: For the purposes of consolidating the accounts of Industrionics, Inc., U.S. dollars have been converted to Canadian dollars at par.

Approved on behalf of the Board of Directors:

"W. WAYNE SHAPIRO", Director.

"R. A. DISHELL", Director.

Auditors' Report

To the Directors of

INDUSTRIONICS (CANADA) LIMITED:

(formerly Winco Electronics Company Limited)

We have examined the accompanying consolidated balance sheet and pro forma consolidated balance sheet of Industrionics (Canada) Limited and its wholly-owned subsidiary Industrionics, Inc. as at May 31, 1961. Our examination included a general review of the accounting procedures of Industrionics (Canada) Limited and such tests of that company's accounting records and supporting documents as we considered necessary in the circumstances.

We have accepted the balance sheet of Industrionics, Inc., as reported upon by its auditors, Reinheimer, Gold, Witus and Company, Certified Public Accountants, Detroit, Michigan.

As at May 31, 1961, Industrionics (Canada) Limited was known as Winco Electronics Company Limited, the name having been changed to Industrionics (Canada) Limited by Supplementary Letters Patent dated July 14, 1961.

In our opinion, based on our examination and the report of the accountants referred to above, the accompanying consolidated balance sheet presents fairly the financial position of the company and its wholly-owned subsidiary company as at May 31, 1961, and the accompanying pro forma consolidated balance sheet presents fairly the financial position as at the same date, after giving effect to the changes set forth in the heading thereof.

FISHER, SANDERS, STERN AND NISKER,
Chartered Accountants.

Windsor, Ontario,
June 23, 1961.

INDUSTRIONICS (CANADA) LIMITED

(name changed from Winco Electronics Company Limited
by Supplementary Letters Patent dated July 14, 1961)
and its wholly-owned subsidiary Industrionics, Inc.

Consolidated Statement of Earnings

For the Six Years Ended March 31, 1961, and the Two Months Ended May 31, 1961

	Two Months ended May 31, 1961	1961	For the fiscal years ended 1960 (Note A)	1959	March 31st. 1958	1957	From commencement of business, April 15, 1955 to March 31, 1956
SALES	\$ 42,917	\$ 269,269	\$ 273,329	\$ 238,526	\$ 186,541	\$ 149,748	\$ 64,174
PROFIT (LOSS) before depreciation and taxes on income	\$ 4,192	\$ 25,918	\$ 2,807	\$ 27,064	\$ 38,160	\$ 25,664	(\$ 30,154)
Deduct: provision for depreciation	845	5,860	7,412	7,550	8,695	8,945	6,731
PROFIT (LOSS) before taxes on income	\$ 3,347	\$ 20,058	(\$ 4,605)	\$ 19,514	\$ 29,465	\$ 16,719	(\$ 36,885)
Deduct: taxes on income	332	2,377	2,533	4,293	2,046		
NET PROFIT (LOSS)	\$ 3,015	\$ 17,681	(\$ 7,138)	\$ 15,221	\$ 27,419	\$ 16,719	(\$ 36,885)
				(Note B)	(Note B)	(Note B)	

NOTE A: Industrionics, Inc., a Michigan corporation, was formed March 20, 1959. The sales and the profits and losses of this wholly-owned subsidiary are included in this statement of earnings from April 1, 1959.

NOTE B: Federal taxes on income for the year 1957 were reduced to nil as a result of carrying forward the company's tax loss for the fiscal year ended March 31, 1956. The tax provision for the year 1958 reflects a loss carry-forward credit of \$20,166.

Auditors' Report

To the Directors of
INDUSTRIONICS (CANADA) LIMITED:
(formerly Winco Electronics Company Limited)

The consolidated statement of earnings of Industrionics (Canada) Limited for the six fiscal years ended March 31, 1961, and for the two months ended May 31, 1961, has been prepared by combining the earnings of Industrionics (Canada) Limited, the accounts of which were examined by us, with the earnings of its subsidiary, Industrionics, Inc., the accounts of which were examined and reported upon by its auditors, Reinheimer, Gold, Witus and Company, Certified Public Accountants, Detroit, Michigan. Our examination included a general review of the accounting procedures of Industrionics (Canada) Limited and such tests of that company's accounting records and supporting documents as we considered necessary in the circumstances.

As at May 31, 1961, Industrionics (Canada) Limited was known as Winco Electronics Company Limited, the name having been changed to Industrionics (Canada) Limited, by Supplementary Letters Patent dated July 14th, 1961.

In our opinion, based on our examination, and the report of the accountants referred to above, the above statement presents fairly the earnings of the company and its wholly-owned subsidiary for the six years ended March 31, 1961, and the two months ended May 31, 1961, in accordance with generally accepted accounting principles applied on a consistent basis.

FISHER, SANDERS, STERN AND NISKER,
Chartered Accountants.

Windsor, Ontario,
June 23, 1961.

